



Summary of Benefits and Coverage (SBC)

Distribution Requirements

Updated October 2014

The federal healthcare reform law, known as the Patient Protection and Affordable Care Act (PPACA), requires group health plans to provide enrolled and otherwise eligible individuals with a uniform, easy-to-read “Summary of Benefits and Coverage” (SBC) describing the benefits and limitations of coverage under each plan option. This SBC distribution requirement, which became effective for the 2013 plan year, applies at each annual open enrollment and at certain other times. It is intended to help benefits-eligible employees, under age 65 retirees and COBRA beneficiaries compare their employer-provided medical plan benefit options with other available coverage options, such as those provided through “Health Insurance Marketplaces” (also referred to as “Exchanges”) which became available January 1, 2014 under PPACA.

There are strict requirements regarding the content and distribution of SBCs. HealthTrust annually prepares an SBC for each of the HealthTrust medical plan options (including prescription drug coverage) currently offered by its Member Groups. We will provide these SBC templates electronically to your designated Benefits Administrators by the end of October for your distribution to eligible employees, under age 65 retirees and COBRA beneficiaries with open enrollment materials for your January renewal. **If you intend to change your current medical plan option(s) or add a new option for January 1, please notify your HealthTrust Benefits Advisor by email or fax as soon as possible, but no later than November 30, so that we can prepare and provide you with the appropriate new SBC(s) for timely distribution to eligible individuals.**

You may need to supplement the SBC template with additional information unique to your particular plan coverages, such as a description of any employer funding of high-deductibles through Health Reimbursement Arrangements (HRAs).

While HealthTrust has prepared the SBCs, **you as the employer must distribute the SBCs (and any supplemental materials) in either paper or electronic form to eligible employees, under age 65 retirees and COBRA beneficiaries beginning on the first day of your upcoming open enrollment period.** Subject to specific rules, electronic distribution (including email distribution or posting to an intranet website) is allowed; however, paper copies must also be made available to employees upon their request.

Individuals requesting an SBC from HealthTrust (or Anthem or CVS/caremark) will be directed to their employer to obtain the SBC and any related materials. This is because you have the necessary information to identify all of your benefits-eligible employees, the options available to each employee, and the unique supplemental components of your plan(s).

The following information is intended to assist you in meeting your obligations regarding SBC distribution and also to explain the functions we will perform on your behalf.

Important Points:

- **All Employers:** SBC distribution is a requirement for **all employers**, regardless of size.
- **Distribution Dates:** For employees currently enrolled or eligible but not enrolled, under age 65 retirees and COBRA beneficiaries, SBCs generally must be provided beginning on the first day of the open enrollment period for your January 1 plan renewal. For newly eligible employees enrolling at a time other than your annual renewal, SBCs should be provided when you provide the new employee with other enrollment/application materials.
- **Eligible and/or Enrolled Employees:** SBCs must be provided to all employees ***eligible for*** your group medical plan coverage. This includes enrolled employees, and employees eligible but not currently enrolled (such as an employee who has opted out of your plan for other employer group health plan coverage).
- **Dependents:** A single SBC may be provided to an employee (or under age 65 retiree or COBRA beneficiary) for all eligible family members unless you know that a family member has a different address, in which case a separate SBC must be provided to the dependent's last known address.
- **COBRA and Under Age 65 Retirees:** SBCs must be provided to all COBRA beneficiaries and under age 65 retirees who are enrolled in (or eligible for but not enrolled in) a plan option covering active employees. SBCs do not need to be provided to Medicare-eligible retirees and family members who are covered by your HealthTrust Medcomp plan.
- **Electronic Distribution:** Regulations allow employers to distribute SBCs electronically or by other electronically accessible means (posted on an employer's intranet site/website).
- **Paper Copies:** Employers who choose to distribute paper copies of the SBCs are responsible for costs of printing and distribution. Paper copies must also be provided free of charge upon request.
- **Glossary:** SBC Regulations require that all individuals eligible for your group medical plan coverage have access to a uniform Glossary of terms. This Glossary is standard for all plans and each SBC will provide a website where the Glossary may be accessed and a toll-free phone number for requesting a paper copy.

HealthTrust Responsibilities

1. Upon Renewal/Open Enrollment

- HealthTrust will prepare and electronically provide you with your SBCs before November 1 (60 days prior to your January 1 renewal date). The SBCs will describe both your medical and prescription drug plan coverage.
- SBCs will be provided for all HealthTrust plan options that you currently offer and are reflected on your transmittal, excluding retiree-only plans.
- SBCs and a census listing names of employees, and names and addresses of COBRA beneficiaries and early retirees currently enrolled will be provided to your Benefits Administrator by secure email.

2. Upon Plan Option Change or Addition of a Plan Option During Renewal

- We will prepare and electronically provide you with the SBC for the new plan coverage within 7 business days from HealthTrust's receipt of your written notice of a plan change or addition of a new plan option.

3. Upon Material Modification of a Plan During a Plan Year

- We will prepare and electronically provide you with the SBC reflecting the new plan coverage within 7 business days from HealthTrust's receipt of your written notice of a mid-year plan change or addition of a new plan option.

4. Upon Request

- We will provide you with an SBC for any medical plan option currently offered by HealthTrust upon your written request no later than 7 business days following receipt of the request.

Employer Responsibilities

1. Upon Employee's Initial Eligibility/Enrollment (New or Newly Eligible Employee off Open Enrollment)

- You must provide SBCs for all plan options for which the employee is eligible when you provide the employee with other enrollment/application materials.
- If there is a material plan change between a new employee's initial eligibility for coverage and their coverage effective date, the SBC for the new plan option must be provided by the effective date of coverage.

2. Upon Renewal/Open Enrollment (applies for January 1 Renewal)

- If you provide open enrollment materials (i.e., any written enrollment/application materials) to eligible employees, under age 65 retirees and COBRA beneficiaries, you must provide SBCs to those individuals when distributing the open enrollment materials. This should occur on the first day of the open enrollment period.
- If you do not provide open enrollment materials, the SBC must be provided to eligible employees, under age 65 retirees and COBRA beneficiaries at least 30 days prior to the January 1 effective date of the new plan year.
- If you offer a choice of plan options, you must automatically provide currently enrolled employees, under age 65 retirees and COBRA beneficiaries with an SBC only for the plan option in which they are enrolled. These enrollees also must be provided SBCs for other plan options upon their request.
- Employees who are eligible for but not enrolled in your group medical plan must be provided with SBCs for all plan options for which they are eligible.

3. Upon Plan Option Change or Addition of a Plan Option During Renewal

- If you change or add a plan option for January 1, you must notify your HealthTrust Benefits Advisor by email or fax as soon as possible but no later than November 30. When you receive the new SBC from HealthTrust you must distribute the SBC to eligible employees, under age 65 retirees and COBRA beneficiaries in accordance with the rules in 2 above. If you receive the new SBC after December 1, it should be distributed to eligible individuals as soon as possible but no later than 7 business days of you receiving it from HealthTrust.

4. Upon HIPAA Special Enrollment

- A HIPAA special enrollment is when an employee or a dependent loses coverage under another group health plan and is eligible to be added to the employer's plan. In these situations, the SBC must be provided to the new enrollee within 90 days following the effective date of coverage.

5. Upon Request

- You must provide an SBC to any eligible individual no later than 7 business days following receipt of their request.

6. Notice Required Upon Material Modification of the Plan During a Plan Year

- The plan year for your HealthTrust medical plan options is January 1 through December 31. A “material modification” generally means a change to a plan or plan option during a plan year that would change information in an existing SBC.
- **Material modifications that occur during a plan year with a mid-year open enrollment allowed:** A new SBC or Notice of the plan change must be provided when enrollment materials are distributed **but no later than 60 days in advance** of the effective date of the plan change.

This regulation will have a significant effect on the implementation of plan changes. For example:

- Town meeting vote – The Town passes a plan change at town meeting on March 14, but must provide 60-day advance notice to employees. A new SBC or Notice of plan changes must be distributed by April 1 for the plan change to be effective on June 1.
- Bargained agreements – A collective bargaining agreement is being negotiated for a September 1 effective date. The agreement must be approved and a new SBC or Notice of plan changes must be distributed by July 1 in order to implement the changes effective September 1.
- **Material modifications that occur during a plan year with no mid-year open enrollment elections allowed:** A Notice of the plan change must be provided **at least 60 days in advance** of the effective date of the change, but a new SBC is not required until the next renewal.

7. Special Requirements for HSAs, HRAs and Health FSAs

- **Health Savings Accounts (HSAs)** – SBC regulations do not require a separate SBC for HSAs. However, employers who offer a high deductible plan that includes an HSA should supplement the SBC for that plan with information describing the HSA component.
- **Health Reimbursement Arrangements (HRAs)** – A separate SBC is not required for an HRA that is “integrated” with your group medical plan (generally meaning an HRA that only funds all or a portion of a deductible, copayment or coinsurance under your medical plan). Instead, employers need to supplement the SBC for the primary group medical plan with information describing the HRA funding component. See Q19 of the HealthTrust *SBC Frequently Asked Questions* for information on when an HRA will be considered “integrated” with your group medical plan and for further information on how the SBC requirements apply to HRAs.
- **Healthcare Flexible Spending Accounts (Health FSAs)** – A separate SBC is not required for Health FSAs that are considered “excepted benefits” (i.e., Health FSAs that are offered to employees who are eligible for your primary group medical plan and funded solely with employee salary reduction contributions and/or employer contributions of \$500 or less). See Q20 of the HealthTrust *SBC Frequently Asked Questions* for further information on how the SBC requirements apply to Health FSAs.

Additional SBC Guidance

Further details on the above SBC requirements can be found in the HealthTrust *SBC Frequently Asked Questions* document. Both this *SBC Distribution Requirements* and the *SBC Frequently Asked Questions* are also posted on our website and can be accessed by logging in to our secure Member website (www.healthtrustnh.org).

If you have any questions about this notice or the enclosed FAQs, please contact your HealthTrust Benefits Advisor at 800.527.5001.